

## Victoria Home Prices See Healthy Appreciation in Third Quarter

*Strong demand for condominiums driven by relative affordability*

**VICTORIA, October 16, 2018** – According to the Royal LePage House Price Survey<sup>1</sup> and Market Survey Forecast released today, the aggregate price of a home in Victoria increased 6.8 per cent year-over-year to \$680,113.

When broken out by housing type, the median price of a two-storey detached home increased by 7.1 per cent year-over-year to \$921,760, while the median price of a bungalow and condominium appreciated by 6.2 per cent and 7.1 per cent year-over-year to \$744,804 and \$491,932, respectively.

“Victoria has made a smooth transition towards a more balanced market after the frenzied pace of the past few years,” said Sean Burns, partner, Royal LePage Coast Capital Realty. “The new mortgage stress test rules have slowed demand in the detached category, and that’s led to more inventory and properties remaining on the market for longer. But the market for condos, townhouses, and bungalows below \$800,000 remains competitive.”

Burns added that the Victoria market has weathered a soft landing, without experiencing the sharper correction seen in Greater Vancouver. He says new jobs created by a strong economy, growing technology industries and more people moving to the Island are helping to support the market.

“Affordability remains an issue in Victoria, and that’s fueling demand for condos,” continued Burns. “There have been a lot of new units built in the region, and those are getting absorbed quickly by young people buying their first homes and baby boomers looking to downsize.”

Looking ahead to the next quarter, healthy home price appreciation and sales activity are expected to continue, buoyed by a strong regional economy and stable demand.

Nationally, year-over-year home prices made modest gains in many regions across Canada in the third quarter of 2018. The Royal LePage National House Price Composite<sup>2</sup>, compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 2.2 per cent year-over-year to \$625,499 in the third quarter. When broken out by housing type, the median price of a two-storey home rose 1.4 per cent year-over-year to \$736,337, while the median price of a bungalow climbed 1.5 per cent to \$519,886. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 6.7 per cent year-over-year to \$441,240.

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<sup>1</sup> Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

<sup>2</sup> Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

Looking ahead, Royal LePage is projecting a further uptick in home price appreciation in the fourth quarter, forecasting a 1.5 per cent increase in the aggregate price of a home in Canada over the next three months.

“Positive economic fundamentals, supported by a new agreement on trade, should bolster consumer confidence across Canada and stoke demand in the nation’s real estate market,” said Phil Soper, president and CEO, Royal LePage. “Dangerously overheated regions have cooled considerably this year, while home prices have remained remarkably resilient. This is the soft landing that policy makers were hoping for.”

#### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 63 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

#### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country’s leading provider of services to real estate brokerages, with a network of close to 18,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women’s and children’s shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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